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C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000823

SIPDIS

STPDTS

DEPT FOR A/S FRIED, EUR/SCE - ENGLISH, BELL

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SUBJECT: CROATIA SCENESETTER FOR A/S FRIED

REF: ZAGREB 813

Classified By: Political Officer Tom Selinger for reasons 1.4 (b) & (d)

11. (C) SUMMARY AND COMMENT: During your July 9-10 stop in Dubrovnik for the conference "Completing Europe's Southern Dimension: The Values that Bind Us, " you will witness firsthand the GoC's unshakable enthusiasm for promoting Euro-Atlantic integration. Still paddling on the wave of political optimism that followed the opening of accession negotiations with the European Union in October 2005 and the arrest of war crimes suspect Ante Gotovina in December 2005, the center-right government of Prime Minister Ivo Sanader is trying to cement its international credibility by serving as a leader in fostering regional stability. At the same time, the GoC must still sell its skeptical constituents on the benefits of NATO membership. Your speech at the conference's opening roundtable can contribute to this public education. Your bilateral meeting with PM Sanader will provide an opportunity to thank Croatia for its recent increase in troop levels in Afghanistan (last week going from 69 to 144 soldiers - reftel) while encouraging continued reforms on the road to NATO and renewed GoC consideration of language that meets the definition of Article 98. END SUMMARY AND COMMENT.

## COMMITMENT TO INTEGRATION AND REGIONAL STABILITY

- ¶2. (SBU) PM Sanader and his Croatian Democratic Union (HDZ) were elected in 2003 on a platform promising to bring Croatia into the EU and NATO. The HDZ has proven it is no longer cut from the same cloth as the nationalist HDZ of late president Franjo Tudjman. Not only did PM Sanader enter into coalition with the leading ethnic Serb and Muslim parties and begin serious implementation of programs to promote refugee returns, he has also made great strides in normalizing relations with Serbia and Montenegro and Bosnia and Herzegovina, including high-level visits, visa-free travel, and free trade agreements. The bitter legacy of the 1990s war is slowly fading most refugee returns are complete and domestic war crimes trials of ethnic Croats are no longer controversial. In this light, we fully expect the local OSCE mission to complete the bulk of its mandate by the end of ¶2007.
- 13. (SBU) The opening of EU accession negotiations last fall was a major victory both internationally and domestically for the Sanader government. Croatia cleared a further political hurdle with the arrest of Ante Gotovina, a former Croatian general under indictment by the International Criminal Tribunal for the Former Yugoslavia (ICTY) on charges of war crimes committed in the aftermath of the 1995 liberation of territory occupied by rebel Serbs. The Gotovina arrest, applauded by the U.S. and the international community, was not popular domestically, as many Croats consider Gotovina a hero of their fight for independence. At significant

political cost, the Sanader government provided information that led to Gotovina's arrest in Spain, then worked to keep the few post-arrest protests focused on "support for Gotovina" rather than opposition to the international community or the ICTY.

14. (U) Demonstrating its credibility as an international partner, Croatia has gone from a recipient of UN peacekeeping assistance less than ten years ago to a contributor of troops to ten UN peace support operations (including command of UN forces in Kashmir). Since the beginning of 2006, the GoC has nearly tripled its presence in NATO's International Security Assistance Force in Afghanistan.

## NATO: JUMPING TO JOIN, BUT ARE THEY READY?

- 15. (U) PM Sanader is pushing for a NATO membership invitation at the earliest opportunity, but while there is consensus among the political elite that Croatia belongs in the alliance, the government admits it must do more to educate a general public that is split roughly down the middle over the issue. At a July 4 briefing, MFA State Secretary Hidajet Biscevic told the diplomatic corps that the July 9-10 Dubrovnik conference is part of the GoC's new campaign to educate the public, delivering the Euro-Atlantic message "both outwardly and inwardly" while showcasing Croatia as an exporter of stability and a reliable regional partner. We have reminded GoC officials that they need to generate support not just for joining NATO but also for continuing to meet its alliance obligations throughout its membership.
- 16. (SBU) Croatia's ambitious military reform program, as ZAGREB 00000823 002 OF 002

outlined in its 10-year Long-Term Development Plan now before Parliament, is designed to make the armed forces "NATO-ready" by 2007. With both presidential and GoC support, the plan provides the fine details and identifies the necessary resources to reorganize, re-equip, professionalize, and further downsize the Croatian Armed Forces. We support Croatia's NATO ambitions, but have been very clear in our message that defense reform is an essential pre-condition for Croatia to demonstrate that it will become a net contributor to security through NATO operations.

17. (U) Croatia has tried to play a leadership role in the Adriatic-3 (A-3), hosting numerous summits and multilateral exercises. In April, MFA Kolinda Grabar Kitarovic hosted a meeting of foreign ministers from the A-3 and the Baltic states (B-3) to share NATO accession advice and experience. In May, the GoC organized a meeting for Vice President Cheney with the A-3 prime ministers during his stop in Dubrovnik.

## ARTICLE 98: ROOM TO MANEUVER DESPITE PRESIDENT, EU?

- 18. (SBU) PM Sanader has been unable to deliver an Article 98 agreement, due primarily to EU pressure and domestic political opposition based on inaccurate comparisons between the International Criminal Court (ICC) and the ICTY. President Mesic, the most outspoken opponent of an Article 98 agreement, publicly states that it is difficult to justify a pact not to turn U.S. citizens over to the ICC when the U.S. expects Croatians to turn their wartime leaders over to the ICTY.
- 19. (C) This highlights the political differences on certain issues between PM Sanader on the right and President Mesic on the left. In contrast to Sanader's unwavering focus on bringing Croatia into the EU and NATO, Mesic's unique brand of populism harkens back to the non-aligned movement of Yugoslav leader Josip Broz Tito, focusing his foreign policy efforts on places like Libya, Syria, and Iran. Despite limited constitutional powers, President Mesic serves as the

moral tiller of the nation, often setting the political agenda for the general public. With PM Sanader's enthusiasm somewhat dampened by EU bullying against action under Article 98, President Mesic's support has become critical to a future agreement.

110. (C) With Gotovina's arrest, however, we believe movement is possible on this issue. This spring, a number of prominent Croatian politicians, including some members of PM Sanader's HDZ, began promoting the signing of an Article 98 agreement as a way to improve relations with the U.S. Public reaction to these comments has remained muted. President Mesic continues to publicly oppose an agreement, but in early July his office responded to our continued overtures about an alternate "Security Cooperation Agreement" by reporting that it had forwarded a "compromise proposal" to the GoC for consideration. The GoC has not yet shared this with us. BRADTKE